33rd ANNUAL REPORT

MARCH 31st, 1987

ONTARIO FOOD TERMINAL BOARD

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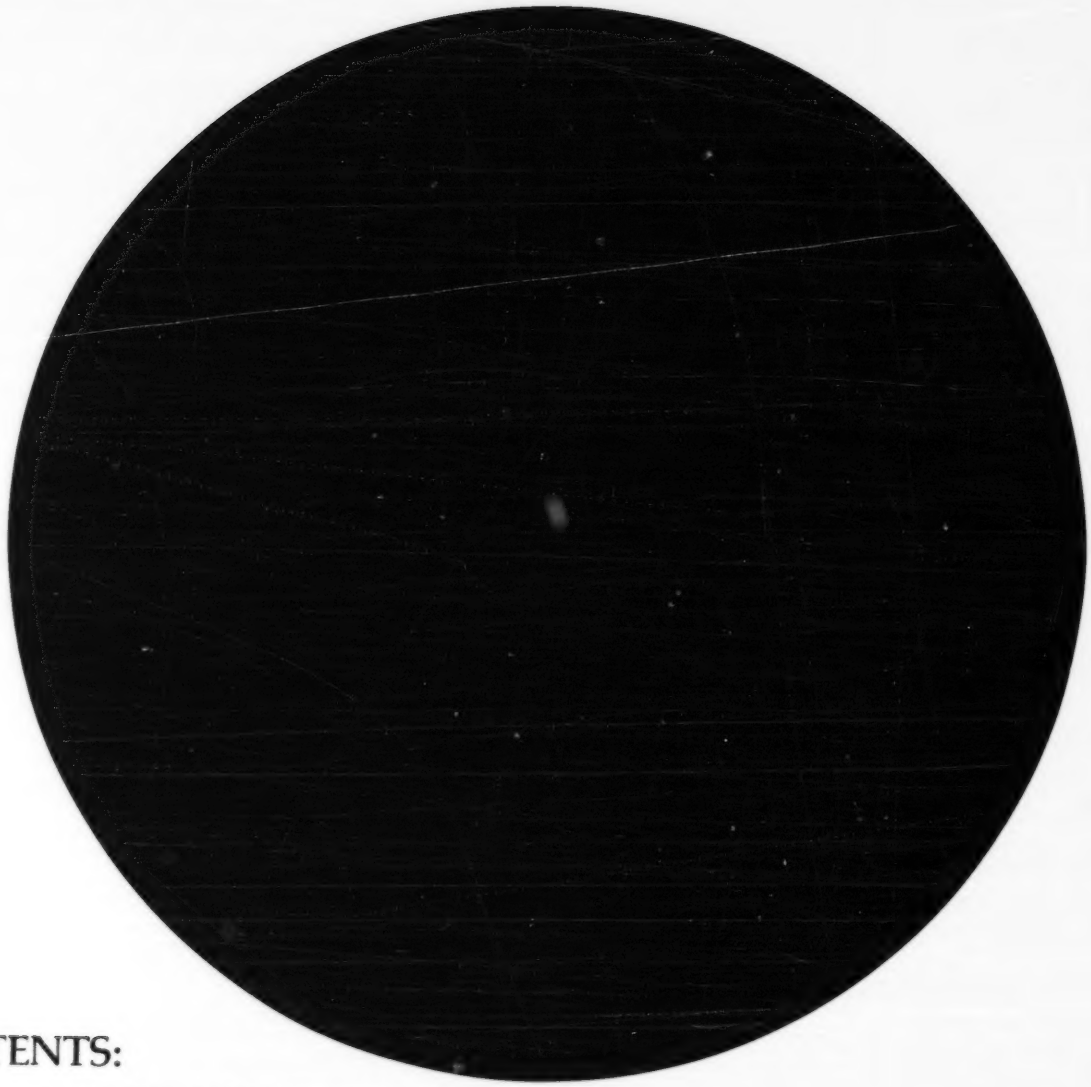

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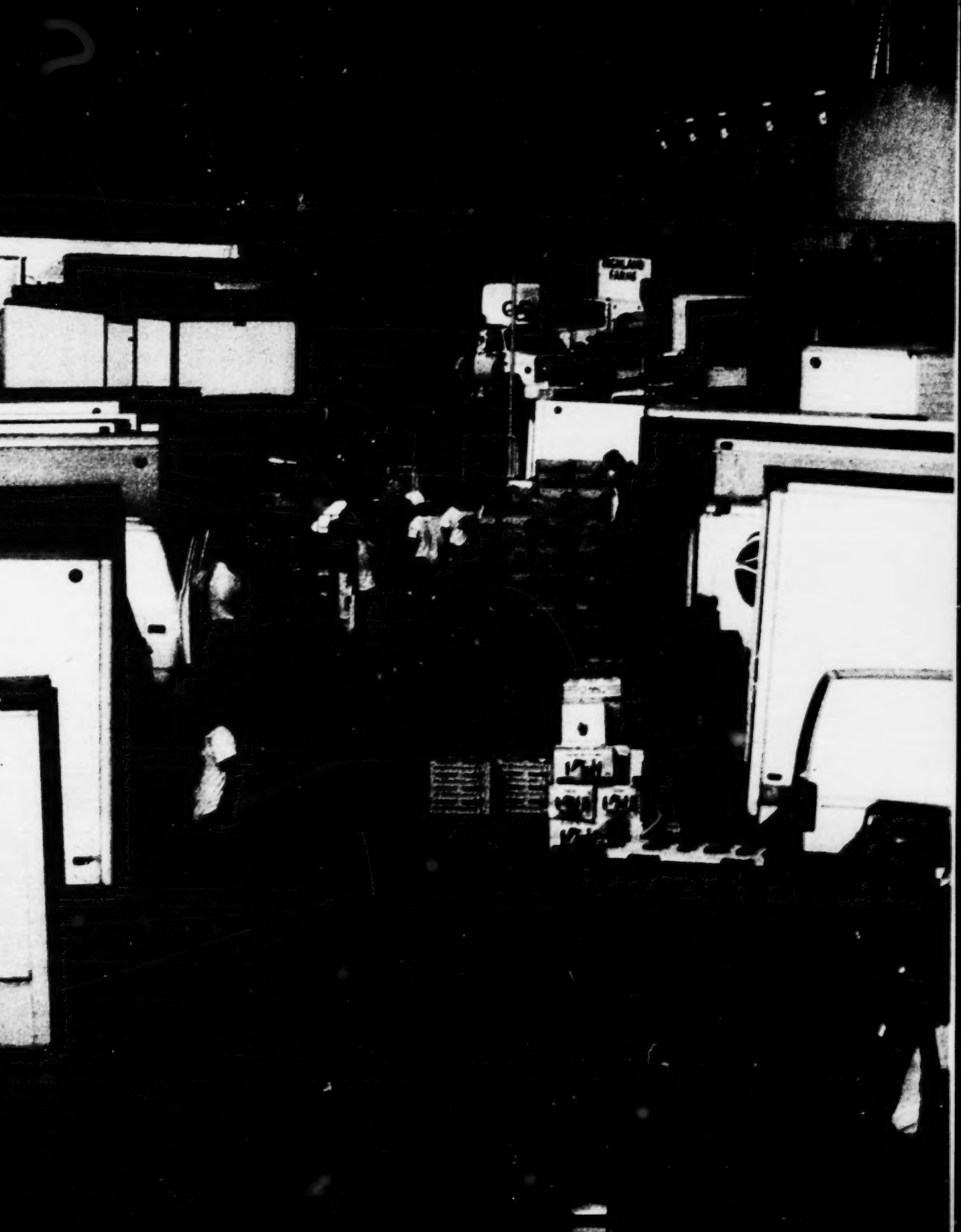
Front Cover Picture Taken By Sheila Reith of Police Dept.



ONTARIO FOOD TERMINAL BOARD

165 The Queensway
Toronto, Ontario
M8Y 1H8

August 14, 1987.

The Honourable Jack Riddell
Minister of Agriculture and Food
Parliament Buildings
Queen's Park
Toronto, Ontario

Dear Sir:

I am pleased to submit the thirty-third annual report of the Ontario Food Terminal Board for the fiscal year ended March 31, 1987.

The financial statements on the following pages show the results of the 1987 fiscal year compared to the previous fiscal year of 1986. Revenue amounted to $3,935,641 while expenditures amounted to $3,537,450 providing an operating income of $398,191. The increase in revenue is 8.7% when compared to 1986, expenditures increased 8.7% while the operating income was 7.7% higher. The net income for the year was $398,191 compared to $458,741 in 1986. This decrease was a result of the Ontario Food Terminal Bond being fully retired on June 1st of 1985. Therefore, the Board did not receive any interest income in the 1987 fiscal year.

The Board's nine revenue producing cost centres all performed in a satisfactory manner with the exception of the railyards. Declining traffic and higher rental charges to Ontario Hydro resulted in a loss of $33,000 in this cost centre. The Cold Storage cost centre continues to perform well showing a 34% increase in operating income when compared to 1986.

Capital expenditures for the year amounted to $642,000. The major projects were: a complete new drainage system which included hooking all floor drains into the sanitary sewer system — $200,000; extensive repaving — $184,000; a tractor for snow plowing and waste removal — $61,000; a fork lift truck — $26,000; railway siding and track improvements — $31,000 and improvements to the Buyers' Court area — $27,000.

The tonnage of produce received at the Market increased by 4.5% to 777,000 tons. The tonnage in the Wholesale Market increased by 7% while tonnage in the Farmers' Market decreased by 3.2% because of the wet weather conditions experienced in Ontario during the summer and fall of 1986.

The development plans for the future include the building of eight new warehouse units and additional buyers' dock space along with the continued upgrading of the facility including the renovation of office hallways, the re-surfacing of the Buyers' Court docks and the addition of new waste handling facilities.

The 1987 year was an eventful one for the Ontario Food Terminal Board and as the Chairman, it gives me great pleasure to thank the Board's employees, the tenants and buyers and all of those with whom we do business for their continued support.

Yours Very Truly,

Allan Collins.

Allan Collins,
Chairman of the Board.

STATEMENT OF OPERATIONS

Year ended March 31, 1987.	1987	1986
REVENUE	$	$
Rents	2,528,595	2,247,508
Cold storage	875,924	813,654
Entrance fees	439,119	396,703
Realty taxes recovered	66,746	63,959
Services	19,208	38,693
Other income	5,329	1,849
Interest income — other	720	8,170
Interest earned — sinking fund	—	51,706
	3,935,641	3,622,242
EXPENSES		
Salaries and benefits (note 5)	1,291,957	1,185,862
Realty and business taxes	709,908	665,432
Depreciation	281,886	282,462
Waste removal	233,121	156,429
Repairs and maintenance	222,182	148,068
Interest expense — demand loan (note 3)	204,723	232,215
Electric power	167,870	147,736
Operating supplies and expense	113,690	103,809
Fuel	100,749	89,640
Office expenses	53,944	48,261
Insurance	37,534	28,616
Water	37,341	32,501
Rent expense — Hydro land	28,315	23,143
Miscellaneous contract services	21,435	15,333
Board members' fees and expenses	19,023	25,205
Legal services	9,573	19,234
Miscellaneous expenses	2,911	17,050
Bad debts	1,288	2,318
Interest expense — debentures	—	29,167
	3,537,450	3,252,481
Operating Income	398,191	369,761
Additional interest income		
Interest earned — sinking fund	—	88,980
NET INCOME FOR THE YEAR	398,191	458,741

BALANCE SHEET

March 31, 1987

ASSETS

	1987 $	1986 $
Current		
Cash and short term deposits	—	80,072
Accounts receivable	319,810	141,496
Prepaid expenses	50,886	31,946
	370,696	253,514
Fixed — at cost, less accumulated depreciation (note 2)	6,262,500	5,902,253
	6,633,196	6,155,767

LIABILITIES AND RETAINED EARNINGS

	1987 $	1986 $
Current		
Demand Loan (note 3)	2,055,944	2,114,737
Deferred revenue (note 4)	203,682	123,376
Accounts payable and accrued liabilities	180,436	176,119
Bank indebtedness	53,408	—
	2,493,470	2,414,232
Retained Earnings	4,139,726	3,741,535
	6,633,196	6,155,767

STATEMENT OF RETAINED EARNINGS
for the year ended March 31, 1987.

	1987	1986
	$	$
Retained earnings, beginning of year	3,741,535	3,282,794
Net income for the year	398,191	458,741
Retained earnings, end of year	4,139,726	3,741,535

STATEMENT OF CHANGES IN FINANCIAL POSITION
for the year ended March 31, 1987.

	1987	1986
	$	$
Cash provided by operating activities		
Cash from operations		
Net income for the year	398,191	458,741
Add charges to operations not requiring a current cash payment		
— depreciation	281,886	282,462
— (Gain) loss on disposal of fixed assets	(1,700)	20,082
	678,377	761,285
Net change in non-cash working capital balances related to operations	(171,423)	(279,643)
	506,954	481,642
Cash used in investing activities		
Acquisition of fixed assets	642,134	422,041
Proceeds on disposal of fixed assets	(1,700)	—
	640,434	422,041
(Decrease) Increase in cash during the year	(133,480)	59,601
Cash Position, beginning of year	80,072	20,471
Cash position, end of year	(53,408)	80,072

NOTES TO THE FINANCIAL STATEMENTS

March 31, 1987.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles.

(b) Fixed Assets

All fixed assets are recorded at cost. Depreciation is calculated on a straight-line basis over the useful life of the assets as follows:

	Depreciation Rate %
Land improvements	10.0
Buildings	2.5
Equipment	20.0
Parking deck and retaining wall	2.5

2. FIXED ASSETS

The objects of the Board include the creation and operation of a Wholesale Fruit and Produce Market and the acquisition and operation of facilities for the transportation and handling of fruit and produce. To meet these objects, the Board leases land and buildings to Wholesalers and Growers.

Details of fixed assets at March 31, 1987 are as follows:

	1987		1986	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	$	$	$	$
Land	275,604	—	275,603	—
Land Improvements	1,570,639	1,066,328	1,150,691	1,031,828
Buildings	6,811,422	3,790,471	6,514,992	3,706,782
Equipment	1,311,956	964,227	1,184,346	882,283
Parking deck and retaining wall	2,328,397	276,284	2,328,397	218,074
Construction in progress	61,792	—	287,191	—
	12,359,810	6,097,310	11,741,220	5,838,967
	(6,097,310)		(5,838,967)	
	6,262,500		5,902,253	

3. DEMAND LOAN

The demand loan bears interest at the prime rate and is guaranteed by the Province of Ontario.

4. DEFERRED REVENUE

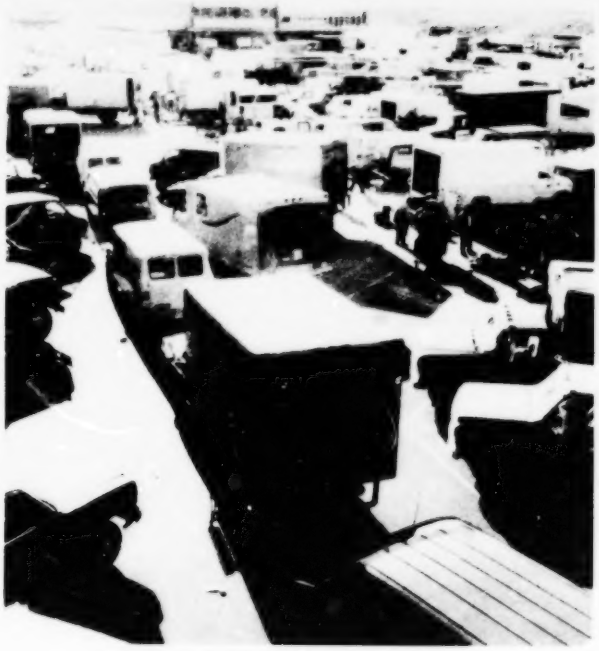
Deferred revenue results from the prepayment of entrance fees, stall rentals and parking rentals.

5. SALARIES AND BENEFITS

Salaries and benefits include costs of $221,160 (1986 — $143,900) incurred for provision of security and janitorial services. These services were previously carried out by Board employees.

Ontario Food Terminal Scenes

Minister of Agriculture and Food, The Honourable Jack Riddell holds a press conference at Market Garden Restaurant.



Roadway scene in Farmers' Market.

Open section of Farmers' Market scene.

Queensway Row and Farmers' Market buyers line-up.

Ontario Food Terminal Scenes

Looking down ramp at dock of North Warehouse Units.

New tractor trailer holding area.

D. E. Williams, Chairman (1979-86) passes the Gavel of Office to Allan Collins, the new Chairman.

Scene at cold storage receiving area.

TONNAGE

Overall tonnage handled at the Terminal for the fiscal year amounted to 777,000 tons compared to 743,000 tons for the previous year.

	1986/87 (tons)	1985/86 (tons)
Farmers' Market	173,000*	179,000
Warehouse Market	604,000	564,000
	777,000	743,000

*Tonnage in the Farmers' Market decreased by 3.3% because of the unusually wet summer and fall of 1986.

ARRIVALS OF PRODUCE

Wholesale Market:		
Rail Cars	753	844
Tractor trailers	22,618	20,671
Other trucks	13,248	12,382
Farmers' Market	41,500	42,900

BUYERS

The Board has on file the names of 4,341 buyers who attend the market.

Buyers are classified as follows:

Fruit and Vegetable stores	1,900
Corporate and independent chain stores	136
Restaurants	865
Jobbers	335
Institutions	45
Miscellaneous (Meat market, florists, caterers etc)	1,060
	4,341

WAREHOUSE LEASHOLDERS

		UNITS	
SOUTH WING		A	B
1	Dominion Citrus & Drugs Ltd.	102a, 102 104, 106	
2	Tomato King Produce Co. Ltd.	108	
3	Brostal Holdings Inc.	110	
4	Italian Produce	112	
5	Rite Pak Produce Co. Ltd.	114, 116 118, 120	152, 154
6	Ontario Tree Fruits Ltd.	120a, 122	
7	Stronach & Sons Ltd.	124, 126	
8	Lamantia & Russell Produce Ltd.	128, 130	
9	North American Produce Buyers Ltd.	132	
10	C. Charles & Co. (1973) Ltd.	134	
11	Chiovitti Banana Co. Ltd.	136	156, 158 160, 162
12	Slade & Stewart Ltd.	138, 140	142, 144
13	Geo. Adamo Produce Ltd.		146
14	Gus Amodeo Produce Ltd.		148
15	Capuccitti, Rocco & Gordon		150
NORTH WING			
16	White and Company, The	101a, 101 103	
17	P. Culotta & Co. Ltd.	105, 107	
18	Mitchell Pacific (1985) Co.	109, 111	
19	King & Raphael, Toronto	113	
20	Provincial Fruit Co. Ltd.	115, 117 119	
21	F.G. Lister & Co. Ltd.	121a, 121 123, 125	
22	Lenson Celery (1975) Ltd.	127, 129	
23	Morris Brown & Sons Ltd.	131	
24	Daniel Ursino and John Ursino	133	
25	Global Fruit & Produce Co.	135	
26	Canadian Fruit & Produce Co. Inc.	137	
27	Ontario Produce Company	139a, 139	141b, 143 145, 147 149, 151
28	Veg Pak Produce Company Ltd.		157, 159 161b

Note: A-units are selling units fronting on the Buyers' Court
B-units are auxiliary units flanking the Cold Storage facilities.

OFFICE LEASEHOLDERS:

Of the 234 office spaces available at the Ontario Food Terminal, 83 are occupied by lessees of warehouse space.

Names of the Leaseholders:

Bank of Montreal
Kroft Investments
Ontario Potato Distributing Inc.
Sunkist Growers Incorporated
M.L. Catania Co. Ltd.
Nevard, Van Benthem & Wakeman Brokerage Ltd.
B.C. Tree Fruits Limited
Kelly Orchards Ltd.
Ontario Produce Compa
Toronto Wholesale Fruit & Produce Merchants Association
Lenson Celery (1975) Ltd.
B & G Vetere Wholesale Ltd.
Chicago North Western Transportation Company
Wm. L. Rutherford Ltd.
Lee Brokerage Ltd.
F.G. Lister & Co. Ltd.
Global Fruits & Produce Ltd.
Mutual Brokers (Toronto) Ltd.
Canadian Fruit & Produce Co. Inc.
Dominion Citrus & Drugs Ltd.
Rite-Pak Produce Co. Ltd.
Italian Produce Co. Ltd.
Austin & Masters Ltd.
North American Produce Buyers Ltd.
Food Services of Canada
Ontario Fruit and Vegetable Growers Association
G.A. Love Foods Inc.
Eglinton Fine Food Ltd.
Richard E. Ryan & Associates
Agriculture Canada
Ontario Ministry of Agriculture and Food
Canadian National Railway Co.
Canadian Pacific Ltd.
B & M Brokerage
Canadian Fruit Wholesalers Association
Fielding Brokerage Ltd.
Geo. Deslauriers (1975) Inc.
Bruce Collings Ltd.
Regal Produce Brokerage Central Inc.

SHORT TERM WAREHOUSE LEASEHOLDERS:

Kelly Orchards Ltd.
Ben Shoom Ltd.
Lakeshore Fruit (Toronto) Ltd.
Morris Brown & Sons Co. Ltd.
Willowdale Produce Co. Ltd.

RESTAURANTS:

Bill Maur Coffee Shop
Market Garden Restaurant

THE BOARD AND STAFF:

The Ontario Food Terminal Board consists of seven members, appointed by the Lieutenant Governor of Ontario, upon recommendation of the Ontario Minister of Agriculture and Food.

The present Board members are:

A. Collins, Chairman	Woodbridge
J. Melara, Vice-Chairman	Toronto
B. Blidner	Toronto
K. Collver	Simcoe
L. Deli	Langton
W. Giles	Toronto
J. Lum	Mount Albert

C.E. Carsley, General Manager

I.B. Nicholas, Secretary Treasurer
Assistant General Manager
T. Chowns, Operations Manager
H. Specht, S/Sgt. of Police
R. Osborne, Cold Storage Manager